

HB 4936  
synopsis of testimony  
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I oppose HB 4936 for several reasons. Among them is because it will severely limit medical care for victims of auto accidents, or pedestrians to a \$1,000,000 lifetime benefit. This is reduced from an "unlimited" medical benefit that has been in effect since the original No Fault Bill's inception in 1973.

Anyone grandfathered under the current MCCA benefit, will have their benefits reduced as well. But those details are still murky. That is truly a broken promise to the most vulnerable and injured in society. Yet they are better off than anyone injured in the future.

What financial consideration is promised for the population at large for making this trade? The trade is Unlimited Medical Coverage for a lifetime that we currently have versus a \$1,000,000 benefit for a lifetime that is proposed. What do consumers receive in return?

\$125 relief per vehicle for a one year time period is promised by insurance carriers to make this change (actually \$150, but the new MCCC will also be a new surcharge of \$25, and there may well be a need to still have consumers pay into MCCA to sustain existing lifetime claims, so their may actually be an increase in premium). This is a very poor trade off. Was this a negotiation or a give away? It is not a reasonable compromise. It is not a striking of the balance.

A good first step would be a law forcing MCCA to open their books to audit and examination. This has been proposed in HB 4551, which has yet to have a committee hearing. Once that audit was concluded, using sound accounting methods, we would have enough information to begin a discussion of how best to move forward. This bill being proposed is both punitive to victims and premature to people seeking to strike a fair balance.

What will happen to citizens injured in auto accidents, or injured by a vehicle as a pedestrian if HB 4936 passes?

Likely it will result in their bankruptcy. In order to have Medicaid step in with any help, a person will have to own no more than a home and an auto. They may have no more than \$3000 in savings. How many people have the money to sustain a loss of this nature? The answer is: Not many. Maybe 1%.

Is this the future for our citizens? Is this a clear vision or one more give away to special interest and strong lobbying?

Who will the financial windfall go to? Since insurance rates are judged to be fair as filed, and are rarely challenged by OFIS after being submitted on a "file and use" basis, I would suggest the insurance companies could reap huge financial benefits from passage of this law.

This bill will devastate families and destroy both their health and their finances, when they have already suffered serious medical injuries. This is about people who have suffered the misfortune and tragedy of incurring tremendously serious medical injuries and huge medical expenses. This bill will not solve the problem of how best to manage MCCA. In fact it will create a new mystery player, MCCC, saddling our citizens with two huge and unaccountable entities, neither one concerned with addressing the needs of the insureds.

As Oakland County Executive L. Brooks Patterson has so clearly stated: "One man's reform is another man's bankruptcy". And he is right on that count. And it is time for the legislature to listen and avoid making bad law.

It seems clear this will not lower premiums. I do not even hear the claim it will reduce premiums beyond the initial paltry amount being offered. All this will do is make more people vulnerable to the ruination of being the victim to a horrible auto accident.

It seems clear MCCA should be audited and accountable to current economic conditions. It would be good if their money was not off shore in the Cayman Islands.

It seems clear \$1,000,000 as a lifetime benefit is clearly inadequate. There are enough examples of \$1,000,000 being penetrated, that this is really shocking to see a bill like this suggest this is the appropriate way to move forward in the 21st Century.

Is this the best our State Legislators can do? Is this really in the best interest of the people of Michigan? Does business special interest trump the good health and financial safety of our fellow Michiganders?